



**UNITED STATES DEPARTMENT OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
on the 6th day of February, 2019

Sky Lease I, Inc.

**Violations of 49 U.S.C. § 41708
and 14 CFR 241**

Docket OST-2019-0001

Served: February 6, 2019

CONSENT ORDER

This consent order concerns reporting delinquencies by Sky Lease I, Inc., (Sky Lease) that constitute violations of 49 U.S.C. § 41708 and the accounting and reporting requirements specified in 14 CFR Part 241. This order directs Sky Lease to cease and desist from future violations, and assesses the carrier a compromise civil penalty of \$45,000.

Applicable Law

Section 41708 of the United States Code, among others, authorizes the Secretary of Transportation to require air carriers to submit reports to the Department. Pursuant to section 41708, 14 CFR Part 241 (Part 241) designates various categories of data to be collected from large certificated carriers¹ and prescribes how to submit data to the Department. The Department uses carriers' Part 241 reports to analyze the effects of air transportation industry policy initiatives, to allocate airport development funds, to forecast traffic, and to develop airport and airway traffic policy. A carrier's failure to file its reports prevents the Department from making fully informed decisions. Failure to file reports when they are due constitutes a violation of both 49 U.S.C. § 41708 and 14 CFR Part 241.

Facts

Sky Lease is a large certificated air carrier and is therefore subject to the reporting requirements of 49 U.S.C. § 41708 and 14 CFR Part 241. Sky Lease failed to submit timely and complete traffic

¹¹ A large carrier is defined as an air carrier holding a certificate that operates aircraft designed to have a maximum passenger capacity of more than 60 seats or a maximum payload capacity of more than 18,000 pounds.

and financial reports during reporting periods through 2016. In early 2017, Sky Lease brought itself current with respect to its reporting obligations; however, in 2017 and 2018, the Department discovered additional reporting delinquencies.

Response

In response, Sky Lease states that any violation of the Department's reporting requirements was inadvertent. During the relevant period Sky Lease shifted its operating base from Greensboro, NC to Miami, FL, and DOT reporting matters and correspondence shifted between two departments. Sky Lease has centralized its reporting function and has procedures in place to ensure future, timely, and accurate reporting.

Decision

The Office of Aviation Enforcement and Proceedings (Enforcement Office) has carefully considered the information provided by Sky Lease, but continues to believe that enforcement action is warranted. The Enforcement Office and Sky Lease have reached a settlement of this matter in order to avoid litigation. Sky Lease consents to the issuance of an order to cease and desist from future violations of 49 U.S.C. § 41708 and Part 241 of the Department's regulations, and to the assessment of \$45,000 in compromise of potential civil penalties otherwise due and payable immediately pursuant to 49 U.S.C. § 46301.

This compromise assessment is appropriate considering the nature and extent of the violations described herein and serves the public interest. It represents an adequate deterrence to future noncompliance with the Department's reporting requirements by Sky Lease, as well as by other air carriers.

This order is issued under the authority contained in 14 CFR Part 1.

ACCORDINGLY,

1. Based on the above discussion, we approve this settlement and the provisions of this order as being in the public interest;
2. We find that Sky Lease I, Inc., violated 14 CFR 241 by failing to file required reports, as described above, in a timely manner;
3. We find that by engaging in the conduct described in ordering paragraph 2, above, Sky Lease I, Inc., has also violated 49 U.S.C. § 41708;
4. We order Sky Lease I, Inc., and its successors and assigns to cease and desist from future violations of 49 U.S.C. § 41708, and 14 CFR 241;
5. We assess Sky Lease I, Inc., a compromised civil penalty of \$45,000 in lieu of civil penalties that might otherwise be assessed for the violations described above; and

6. We order Sky Lease I, Inc., to pay within 30 days of the issuance of this order the penalty assessed in Ordering Paragraph 5, above, through Pay.gov to the account of the U.S. Treasury. Payment shall be made in accordance with the instructions contained in the Attachment to this order. Failure to pay the penalty as ordered shall subject Sky Lease I, Inc., to the assessment of interest, penalty, and collection charges under the Debt Collection Act and to further enforcement action for failing to comply with this order.

This order will become a final order of the Department 10 days after its service date unless a timely petition for review is filed or the Department takes review on its own motion.

BY:

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